

Note: The following was posted on The Huffington Post on 10-3-11:

An open letter to the Federal Communications Commission and Federal Trade Commission:
Ladies and Gentlemen:

You would be doing a great disservice to the US and its consumers if you approve the proposed merger between AT&T and T-Mobile. Simply put, AT&T does not have in place management sufficient to discharge the company's current responsibilities, let alone those which would be added if the merger were to be consummated.

AT&T is incapable of providing to its customers the basic services which it is chartered to provide. My own experience and observations and discussions with other AT&T customers and employees make clear that the company neither takes seriously the provision of landline and DSL internet access service nor maintains people and procedures sufficient to do so. Myself and others dealing with AT&T today routinely encounter, among other things, sullen, ever changing staff who can not accurately record, let alone implement, orders for changes in phone service or its location, protracted, inexplicable internet outages and seemingly random billing, varying greatly from month to month without any change in circumstances or use.

The company's culture, apparently encouraged by management, is clearly one with a laser-like internal focus in which accountability for customer satisfaction is absent, as employees continually blame customer problems on other divisions or on internal system design and offer up protracted explanations and excuses, full of technical gobbledygook, while making no effort to solve the problem. While there is little doubt that management would vehemently protest this description or its attribution to management, the consistently inept, offensive performance creates a strong inference that it is encouraged.

AT&T also relies heavily on foreign outsourcing of its customer service function. While this is not inherently bad, in that the company has responsibilities to its shareholders and ratepayers to minimize its costs, the outsourcing must not prompt a degradation of quality. In this case, there has been such a degradation, if for no other reason to poor mastery of English exhibited by those manning the phones in other countries. At a time of such high unemployment in the US, such a degradation resulting from a shift of jobs out of the country is particularly offensive.

As a regulated, public utility for many purposes, AT&T has an obligation to satisfactorily deliver its basic service package. Of course, compliance with this obligation is overseen by your agencies. Corrective action is presently required to facilitate the provision to consumers of the services which Congress has deemed essential when it chose to regulate them.

Instead, AT&T's chooses to divert attention from these breakdowns with a major acquisition, with supposedly strategic benefits associated with obtaining new spectrum <http://blogs.wsj.com/deals/2011/03/21/att-mobile-deal-explaining-wireless-spectrum/> . Yet, the problems being encountered today have nothing to do with spectrum and everything to do with an absence of commitment to customer satisfaction. One does not need spectrum or bandwidth to send out an installer to install phone service at the right location at the agreed upon time.

With the current poor services being provided, it is frightening to contemplate what would happen if management is preoccupied with integration of a huge acquisition. The business press is replete with accounts of failed integration efforts for large acquisitions undertaken by companies not having trouble delivering products and services, so we should expect chaos if this merger is engrafted upon the current situation.

I suggest that if the T-Mobile deal goes forward, AT&T's customers are likely to suffer not only ?mere? inconvenience, but business-threatening and perhaps even life-threatening service disruption. Even absent such disruption, your agencies should consider the effect upon public confidence resulting from allowing such financial engineering at a time when the company is performing its basic functions so poorly. There is a growing skepticism in our population regarding both big business and big government being willing and able to act in the public interest.

As a conservative Republican, it is out of character for me to write this, but I feel compelled to do so as a result of both the largely unprecedented economic circumstances and flagrantly poor performance of AT&T. Capitalism requires not only deference to private sector prerogatives regarding M&A and otherwise,, but also reason to believe that private actors have both the capability and intention to discharge their obligations. This is not the case here, and your agencies need to act to protect the public from AT&T's increasingly imperial management.